



Earned Value Management Policy and Contract Implementation

Acquisition Insight Days

April 2009

Professor Kim Meyer

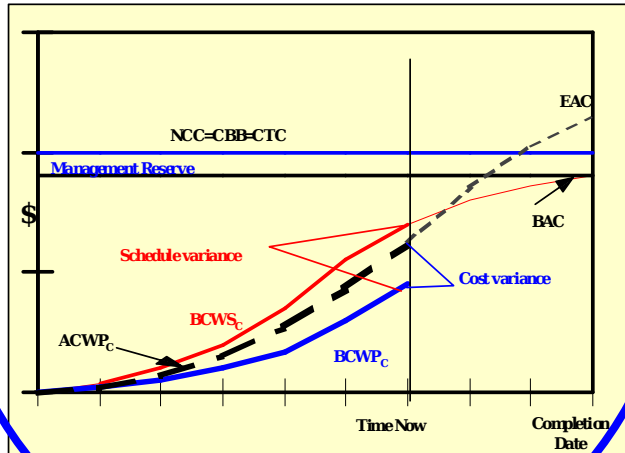
- Ms Kim Meyer
 - Office Phone: (937) 781-1040
 - Email: kimberly.meyer@dau.mil

Workshop Learning Objectives

- EVMS Policy and Implementation
- EVM Data Items
- EVMS Training and References



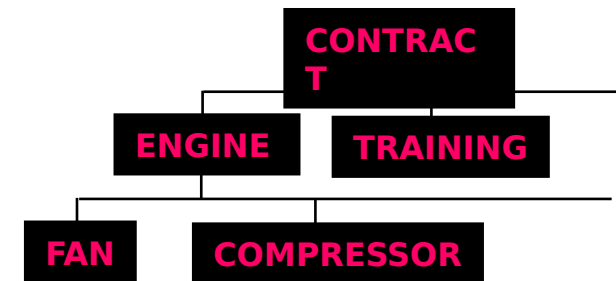
Earned Value Performance



Risk Matrix

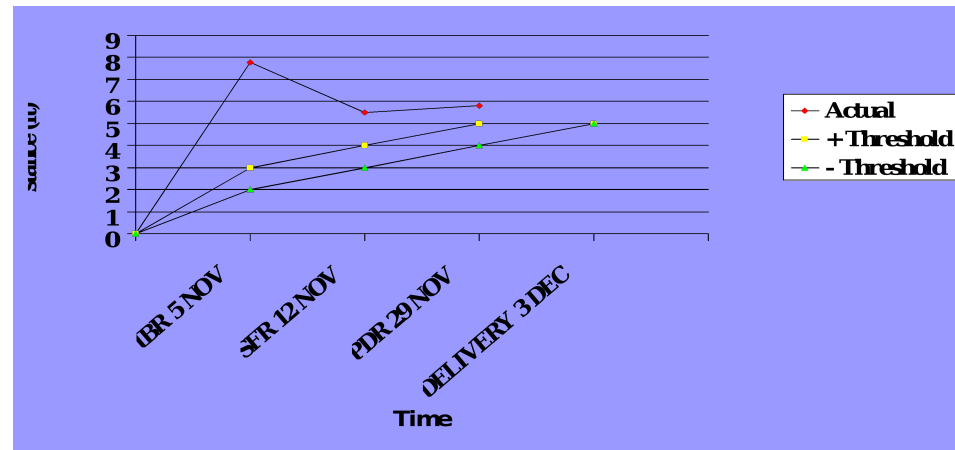
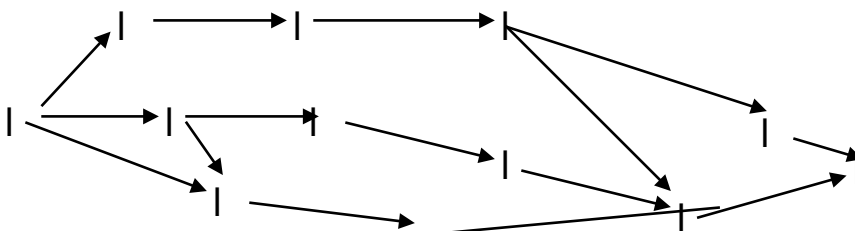
X		
3	3	3
2	2	3
1	2	3

WORK BREAKDOWN STRUCTURE



TPM's

Network Schedule





EVMS POLICY

Definition: EV, EVM, and EVMS

EVMS	Earned Value Management Systems	usually refers to contractors' internal management control systems that meet the guidelines
EVM	Earned Value Management	usually refers to the overall method of managing projects with earned value processes
EV	Earned Value	usually refers to the budgeted resources that have been earned when work is accomplished

What is Earned Value Management?

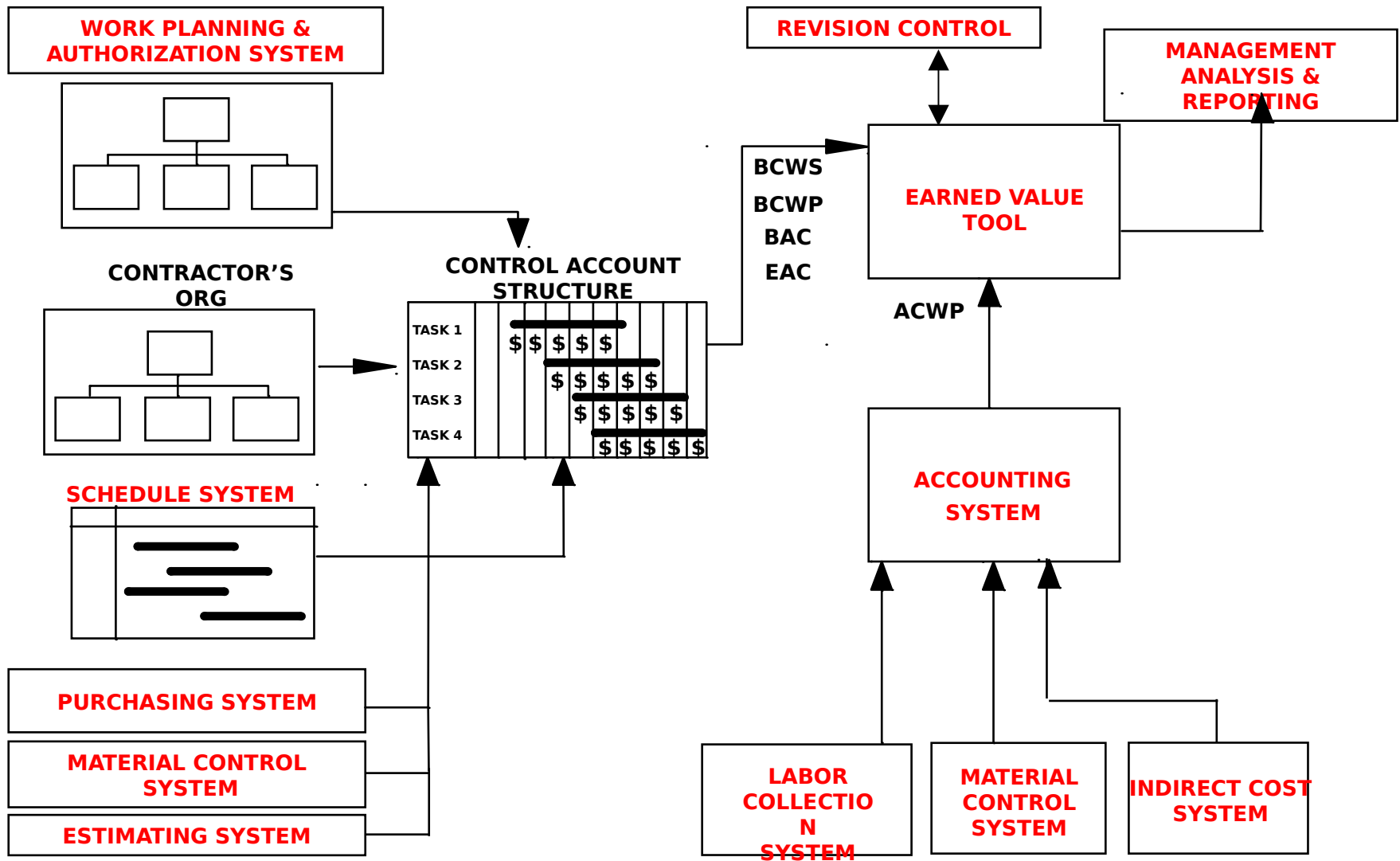


- Use of an integrated management system that coordinates work scope, schedule, and cost objectives and employs earned value methods for program planning and control.

Industry Standard Guidelines
for EVMS



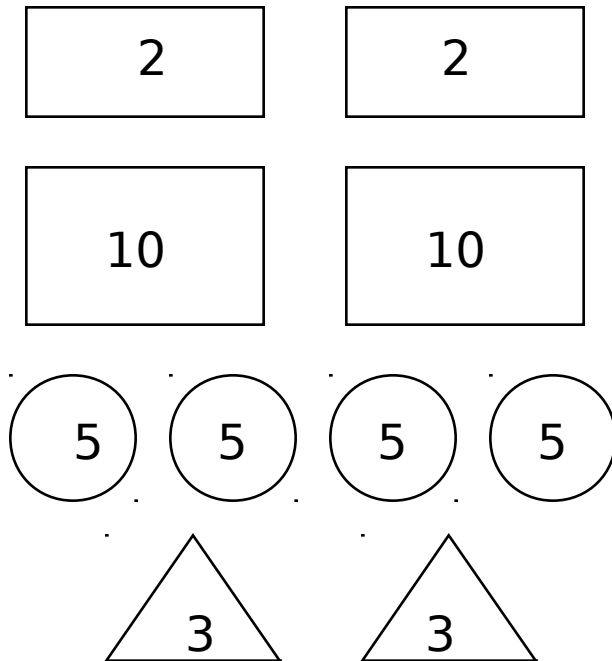
Integration of Systems for an EVMS



Definition: EVM System

- **An integrated management system and its related sub-systems which allow for:**
 - planning all work scope for the program to completion;
 - breaking down program work scope into finite pieces that can be assigned to a responsible person or organization for control of technical, schedule, and cost objectives;
 - Integrating work scope, schedule, and cost objectives into a performance measurement baseline plan against which accomplishments may be measured;
 - controlling changes to the baseline;
 - using actual costs incurred and recorded in accomplishing the work performed;
 - objectively assessing accomplishments at the work performance level;
 - analyzing significant variances from the plan, forecasting impacts, and preparing an estimate at completion based on performance to date and work to be performed; and,
 - using EVMS information in the company's management processes

PLANNED



BUDGET = \$50

ACTUAL COST



= \$15



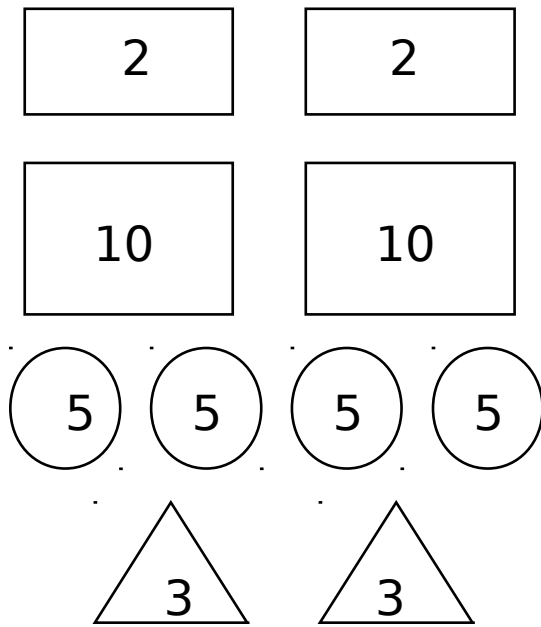
= \$25

COST = \$40

STATUS: Variance = Budget - Actual = + \$10
Favorable

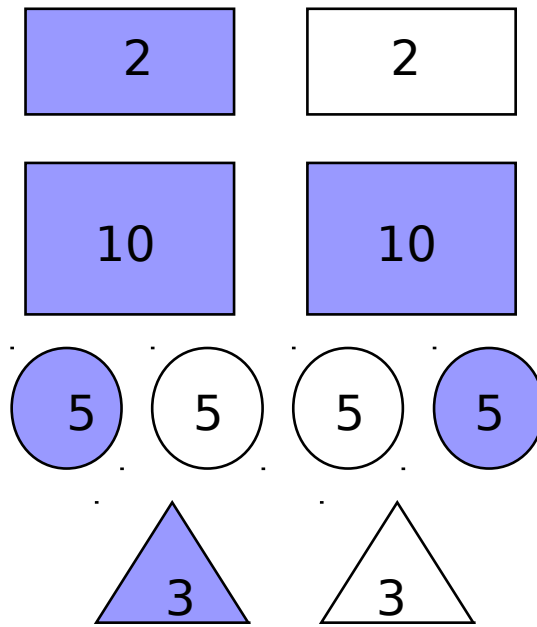
Earned Value Measurement

PLANNED



BUDGET = \$50

PERFORMED



EARNED = \$35

ACTUAL COST



= \$15

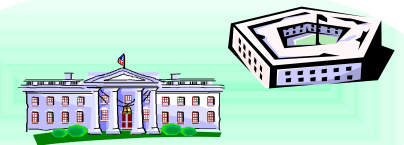


= \$25

COST = \$40

STATUS: Schedule Variance = Earned - Budget = -15
Unfavorable

Cost Variance = EVMS - Earned - Actual = - 5



- **Federal Policy** Office of Management and Budget (OMB)
- **DoD Policy** OSD Acquisition, Technology, and Logistics
- **Executive Agent** Defense Contract Management Agency (DCMA) **(compliance)**
- **Auditing** Defense Contract Audit Agency (DCAA)
- **Agency/Service** Staff support organizations
- **Primary Users** Program/Project Managers
 Technical staff and integrated product teams (IPT)

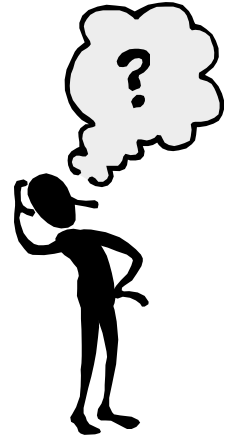


EVM Guidance and Policy

	Government	Industry
Policy	- DoDI 5000.02	N/A
Guidance	- Defense Acquisition Guidebook	N/A
Implementation Guidance	- Earned Value Management Implementation Guide (EVMIG)	N/A
Validation	- EVMIG - DCMA Agency Instructions	- NDIA Systems Acceptance Handbook
Surveillance	- DCMA Agency Instructions - DCAA Standard Audit Programs	- NDIA Surveillance Handbook
Integrated Baseline Reviews	- Program Managers' Guide to IBR Process - Agency handbooks and training materials	- The Program Managers' Guide to IBR
Standards	N/A	- ANSI/EIA-748-A-1998
Standard Interpretation	N/A	- ANSI/EIA 748 Intent Guide

Why do we need a standard?

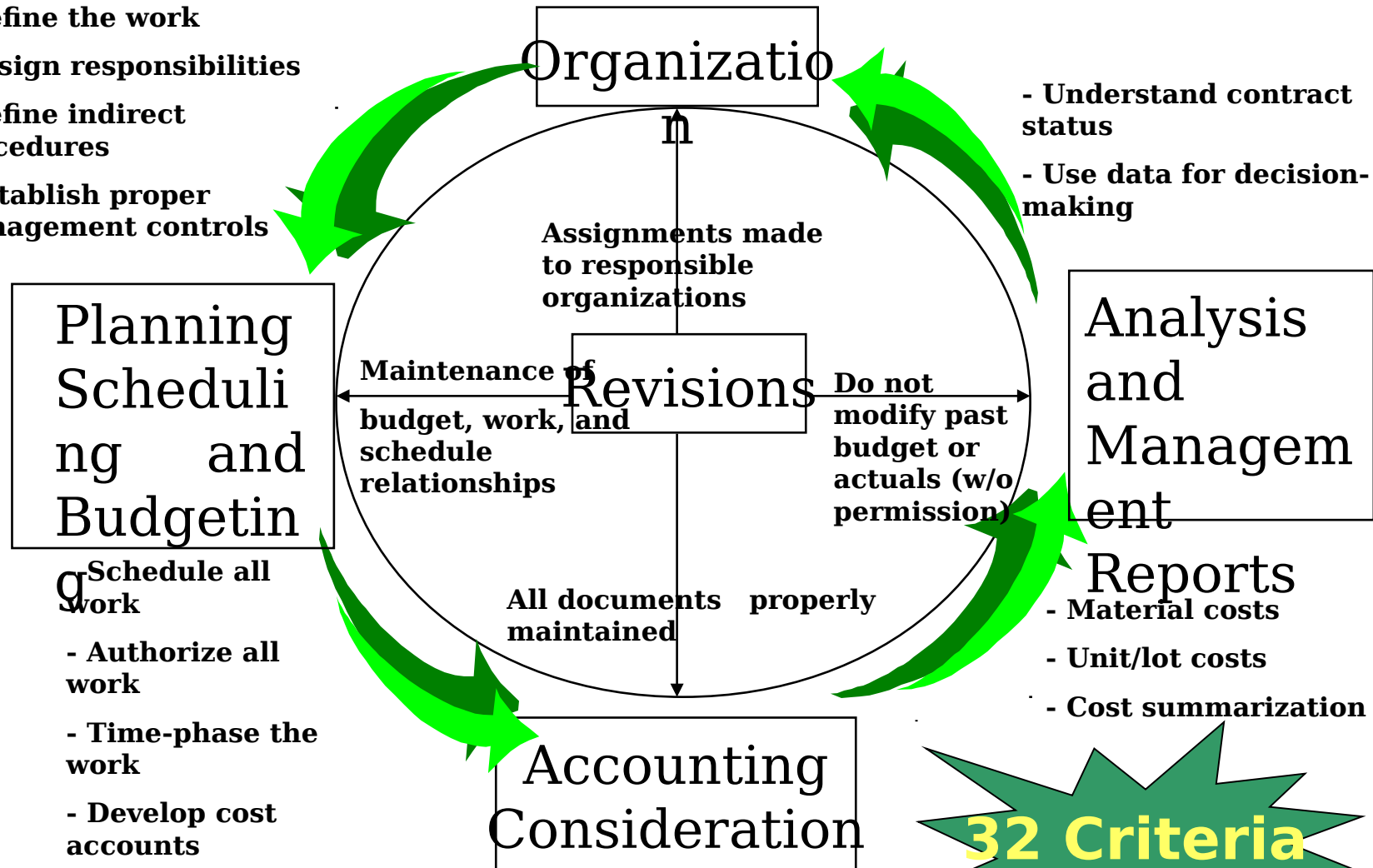
- Government awards contracts that may be:
 - Very large
 - Risky
- Government contracts have special burden
 - Funded with taxpayer money
- Government needs assurances that performance data:
 - Indicates work progress
 - Properly relates cost, schedule, and technical accomplishment
 - Provides program managers with information at a practical level of summarization
 - Is valid, timely, and able to be audited



EVMS Guidelines ANSI/EIA 748-98

- Define the work
- Assign responsibilities
- Define indirect procedures
- Establish proper management controls

- Understand contract status
- Use data for decision-making



32 Criteria

- Government recognizes that it **cannot** impose a single solution
 - No single EVMS meets the needs of all companies
- **Guidelines** define the criteria for system adequacy
 - Specify desired outcomes
 - Not prescriptive
 - Broad enough to allow for commonsense application
 - Comprehensive enough to result in reliable performance data
- Beware of myths, legends, and “accepted” rules of thumb

- **Guidelines can be grouped by typical processes used by most companies**
 - Organizing
 - Scheduling
 - Work/Budget Authorization
 - Accounting
 - Indirect Management
 - Managerial Analysis
 - Change Incorporation
 - Material Management
 - Subcontract Management
- **Either approach (ANSI group or process) is acceptable**
 - Follow company system approach when reviewing system





EVMS IMPLEMENTATION

Law

- Government Performance and Results Act of 1993 GPRA
- Federal Acquisition Streamlining Act of 1994 - Title V (FASA V)
- Information Technology Management Reform Act of 1996 (ITMRA / Clinger-Cohen)

Purpose

- Establish performance Standards for Federal budget
- Report cost, schedule and performance goals and evaluate progress
- Report performance information systems acquisition

Policy Guidance

- OMB Circular A-11 Part 7 – Capital Programming Guide

CAPITAL PROGRAMMING GUIDE

V 2.0

SUPPLEMENT TO

OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-11, PART 7:
PLANNING, BUDGETING, AND ACQUISITION OF CAPITAL ASSETS

JUNE 2006

Purpose

- Unified guidance to support OMB reporting to Congress

Circular A-11 Policy

- Capital Programming Guide
- Agencies must establish cost, schedule and performance goals for major acquisitions and then achieve, on average, 90% of those goals
- Version 2.0 provides guidance on integration of EVM, IBRs, and risk management.



DoDI 5000.02 EVM Policy Guidance

DoDI 5000.02, December 8, 2008

Table 5. EVM Implementation Policy.

REQUIREMENTS	SOURCE	WHEN REQUIRED
For Cost/Incentive Contracts¹ ≥ \$50 Million² <ul style="list-style-type: none">• Compliance with EVM system guidelines in ANSI/EIA-748³• EVM system formally validated and accepted by cognizant contracting officer• Contract Performance Report (DI-MGMT-81466A)• Integrated Master Schedule (DI-MGMT-81650)• Integrated Baseline Reviews	Part 7 of Reference (c) This Instruction	At contract award and throughout contract performance At contract award and throughout contract performance Monthly Monthly Within 180 days after contract award, exercise of options, and major modifications
For Cost/Incentive Contracts¹ ≥ \$20 Million² but < \$50 Million² <ul style="list-style-type: none">• Compliance with EVM system guidelines in ANSI/EIA-748³ (no formal EVM system validation)• Contract Performance Report (DI-MGMT-81466A) (tailoring recommended)• Integrated Master Schedule (DI-MGMT-81650) (tailoring recommended)• Integrated Baseline Reviews	Part 7 of Reference (c) This Instruction	At contract award and throughout contract performance Monthly Monthly Within 180 days after contract award, exercise of options, and major modifications
For Cost/Incentive Contracts¹ < \$20 Million²	Part 7 of Reference (c) This Instruction	At the discretion of the PM based on cost-benefit analysis
For Firm Fixed-Price Contracts¹ regardless of dollar value	Part 7 of Reference (c) This Instruction	Limited Use—must be approved by the MDA based on a business case analysis

Notes:
1. The term, "Contracts," includes contracts, subcontracts, intra-government work agreements, and other agreements.
2. "Incentive" contracts include fixed-price incentive.
3. Application thresholds are in then-year dollars.
3. ANSI/EIA-748 = American National Standards Institute/Electronic Industries Alliance Standard 748, Earned Value Management Systems (Reference (av)).

Contracts* ≥ \$50M

- Compliance with 32 EVMS Guidelines
- Formal EVM system validation
- Contract Performance Report
- Integrated Master Schedule
- Integrated Baseline Reviews

Contracts* ≥ \$20M but < \$50M

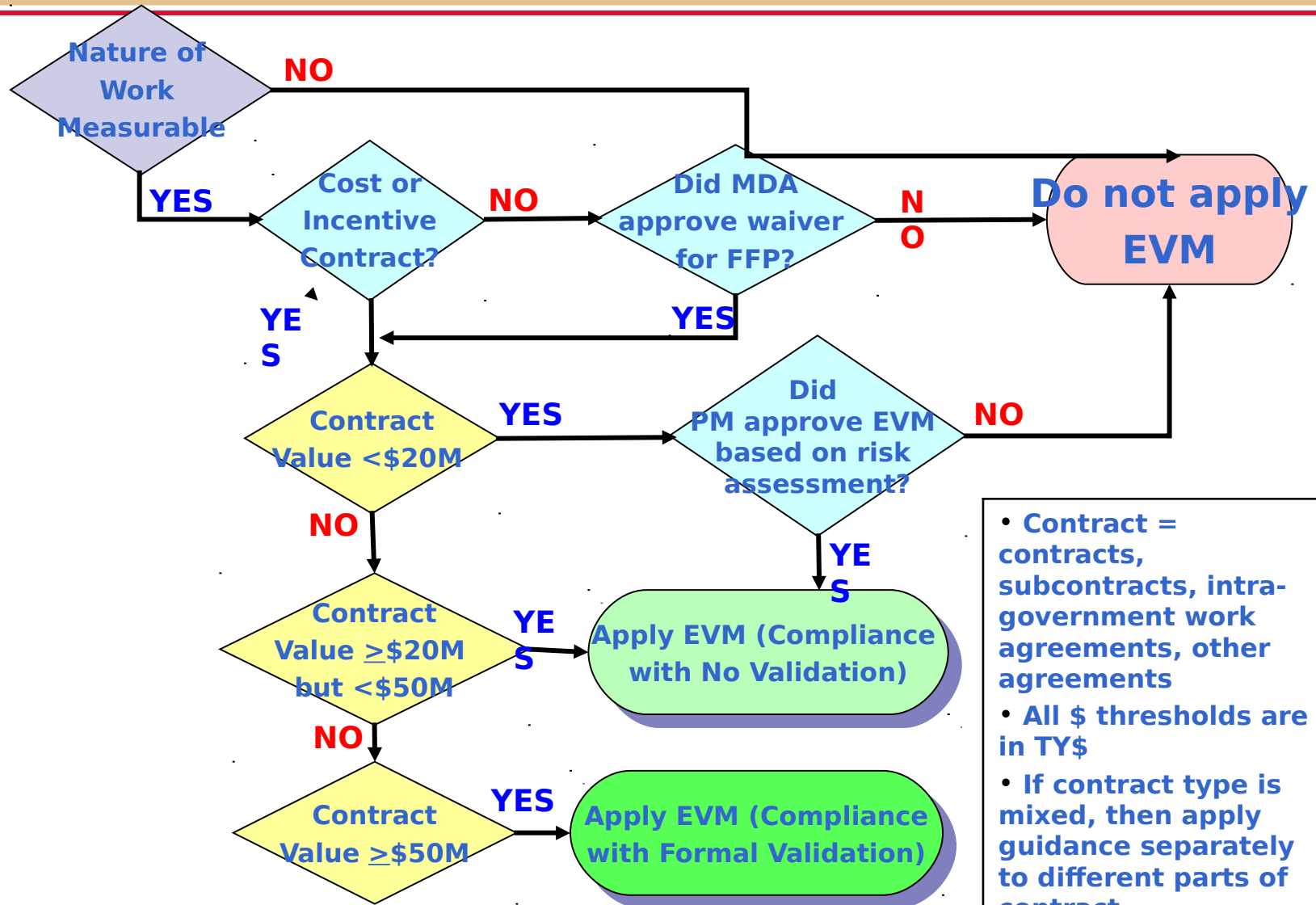
- Compliance with 32 EVMS Guidelines
- No Formal EVM system validation
- Contract Performance Report (tailored)
- Integrated Master Schedule (tailored)
- Integrated Baseline Reviews

Contracts * < \$20M

- EVM optional (risk-based decision)
- Cost-benefit analysis required

• *Contracts – Cost/Incentive, subcontracts, inter-government work agreements*
EVM Discouraged on FFP; EVMIG also includes nature of work (LOE or T & M)

Decision Process for EVM Application



- Contract = contracts, subcontracts, intra-government work agreements, other agreements
- All \$ thresholds are in TY\$
- If contract type is mixed, then apply guidance separately to different parts of contract



EV DATA ITEMS



Section J – CPR DID DI-MGMT-81466A

DATA ITEM DESCRIPTION

TITLE: CONTRACT PERFORMANCE REPORT (CPR)
NUMBER: DI-MGMT-81466A
AMSC NUMBER: D7549
DTIC APPLICABLE:
PREPARING ACTIVITY: OUSD(AT&L)ARA/AM(SO)

APPROVAL DATE: 20050330
LIMITATION:
GROUP APPLICABLE:

APPLICABLE FORMS: DD Forms are available and shall be used to submit required formats as follows:

CPR Format	DD Form Number	Sample Format No.
Work Breakdown Structure	2734/1	1
Organizational Categories	2734/2	2
Baseline	2734/3	3
Staffing	2734/4	4
Explanations and Problem Analyses	2734/5	5

USE/RELATIONSHIP: This report consists of five formats containing data for measuring contractors' cost and schedule performance on Department of Defense (DoD) acquisition contracts. Format 1 (Sample Format 1) provides data to measure cost and schedule performance by product-oriented Work Breakdown Structure (WBS) elements, the hardware, software, and services the Government is buying. Format 2 (Sample Format 2) provides the same data by the contractor's organization (functional or Integrated Product Team (IPT) structure). Format 3 (Sample Format 3) provides the budget baseline plan against which performance is measured. Format 4 (Sample Format 4) provides staffing forecasts for correlation with the budget plan and cost estimates. Format 5 (Sample Format 5) is a narrative report used to explain significant cost and schedule variances and other identified contract problems and topics.

CPR data shall be used by DoD system managers to: (1) integrate cost and schedule performance data with technical performance measures, (2) identify the magnitude and impact of actual and potential problem areas causing significant cost and schedule variances, and (3) provide valid, timely program status information to higher management.

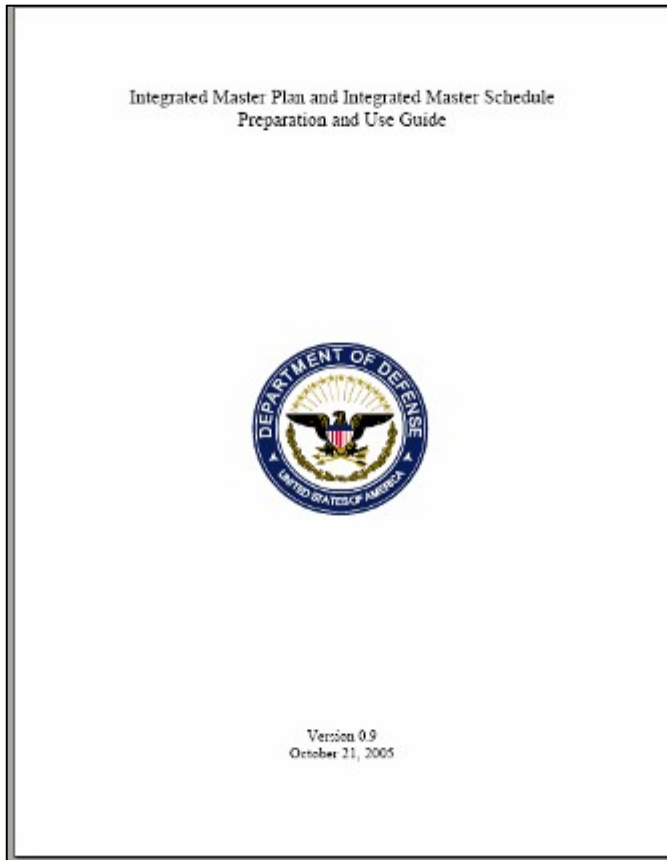
The CPR is a management report. It provides timely, reliable summary-level data with which to assess current and projected contract performance. The CPR's primary value to the Government is its ability to reflect current contract status and reasonably project future program performance. It is important that the CPR be as accurate as possible so it may be used for its intended purpose, which is to facilitate informed, timely decisions. It will be used by the DoD component staff, including program managers, engineers, cost estimators, and financial management personnel, to confirm, quantify, and track known or emerging contract problems and serve as a basis for communicating with the contractor. The CPR data shall accurately reflect how work is being planned, performed, and measured and shall be consistent with the actual contract status.

a. This Data Item Description (DID) contains the format and content preparation instructions for the data product generated by the specific and discrete task requirements as delineated in the contract.

b. This DID shall be used in conjunction with the Integrated Master Schedule (IMS) DID, DI-MGMT-81650. This DID may be used in conjunction with the Contract Funds Status Report (CFSR) DID, DI-MGMT-81468, the Contract Work Breakdown Structure (CWBS) DID, DI-MGMT-8134A, the Cost Data Summary Report DID, DI-FWCL-81565A, and the Functional Cost-Hour and Progress Curve Report

- The CPR consists of five formats
 - Format 1 – Work Breakdown Structure
 - Format 2 – Organizational Categories
 - Format 3 – Baseline
 - Format 4 – Staffing
 - Format 5 – Explanations & Problem Analyses
- Uses of CPR Data
 - Integrated Cost & Schedule EVM Data
 - Identify the cost and schedule impact of actual and potential problems
 - Provide valid, timely program status info for higher management
- The CPR provides timely, reliable summary-level data with which to

DoD IMP and IMS Guidance



- **Specification of an Integrated Master Schedule (IMS) and Integrated Master Plan (IMP) is the [government's responsibility](#)**
- **Requirement for an IMS and IMP should be called out in the contract [statement of work](#)**
 - **Pursuant to DFARS clause 252.234-7002 EVMS criteria**
 - **Invoke CDRL referencing [DID](#) for Integrated Master Schedule (DI-MGMT-81650)**
 - **Reference [DoD IMP Guidebook](#), dated October 2005**
- **Integrated Master Schedule should be applied to all projects in all phases of development through [low rate production](#), it is not typically applied to [full rate production](#) efforts**



Section J - IMS DID DI-MGMT-81650

DATA ITEM DESCRIPTION

TITLE: INTEGRATED MASTER SCHEDULE (IMS)
NUMBER: DI-MGMT-81650
AMSC NUMBER: D7544
DTIC APPLICABLE:
PREPARING ACTIVITY: OUSD(AT&L)ARA/AM(SO)
APPROVAL DATE: 20050330
LIMITATION:
GUIDE APPLICABLE:

APPLICABLE FORMS: None

USE/RELATIONSHIP: The Integrated Master Schedule (IMS) is an integrated schedule containing the networked, detailed tasks necessary to ensure successful program execution. The IMS is vertically traceable to the Integrated Master Plan (IMP) (if applicable), the Contract Work Breakdown Structure (CWBS), and the Statement of Work (SOW). The IMS shall be used to verify attainability of contract objectives, to evaluate progress toward meeting program objectives, and to integrate the program schedule activities with all related components. This DID is applicable to development, major modification, and low rate initial production efforts; it is not typically applied to full rate production efforts.

a. This Data Item Description (DID) contains the format and content preparation instructions for the data product generated by the specific and discrete task requirement as delineated in the contract.

b. This DID shall be applied to contracts that require Earned Value Management (EVM) and other contracts based on the contract risk assessment. Refer to the Earned Value Management Implementation Guide (EVMIG) for guidance on tailoring reporting.

c. The prime contractor is required to include significant external interfaces and critical items from suppliers, teammates, or other detailed schedules that depict significant and/or critical elements and Government furnished equipment or information dependencies for the entire contractual effort in a single integrated network. The determination of significant and critical shall be agreed to by the Government and the contractor and shall be defined and documented in the Contract Data Requirements List (CDRL).

d. The IMS shall be statused according to the contractor's management control system and shall be submitted no less frequently than monthly. If a Contract Performance Report (CPR) is required, the IMS shall be statused and submitted to the procuring activity prior to or concurrently with CPR Formats 1-5 (as applicable). The IMS may reflect data either as of the end of the calendar month or as of the contractor's accounting period cutoff date, provided it is consistent and traceable to the CPR (if applicable). When subcontractor schedule data reflects a different status date than the prime contractor's schedule status date, these status dates shall be described in the analysis section of the IMS.

e. This DID shall be used in conjunction with the CWBS DID, DI-MGMT-81334A, and the CPR DID, DI-MGMT-81466. (Note: The IMS DID may be required when there is no EVM (CPR) requirement.)

REQUIREMENTS:

1. Format. The IMS shall be created using a network capable Commercially Off the Shelf (COTS) scheduling software application. Unless otherwise provided in the CDRL, the IMS shall be delivered electronically in the native digital format (i.e., an electronic file produced by the contractor's scheduling

- IMS shall include **all** discrete tasks/activities, work packages, and planning packages identified in the contract Performance Measurement Baseline (PMB)
- IMS shall identify “significant” external dependencies (i.e. GFE, test facilities)
 - Suppliers and government playing a bigger role in producing products
- IMS shall be statused and submitted prior to or concurrently with Contract Performance Report (CPR)

- Standard scheduling definitions



Section J - IMS DID DI-MGMT-81650 (cont)

DATA ITEM DESCRIPTION

TITLE: INTEGRATED MASTER SCHEDULE (IMS)
NUMBER: DI-MGMT-81650
AMSC NUMBER: D7544
DTIC APPLICABLE:
PREPARING ACTIVITY: OUSD(AT&L)ARA/AM(SO)

APPROVAL DATE: 20050330
LIMITATION:
GUIDE APPLICABLE:

APPLICABLE FORMS: None

USE/RELATIONSHIP: The Integrated Master Schedule (IMS) is an integrated schedule containing the networked, detailed tasks necessary to ensure successful program execution. The IMS is vertically traceable to the Integrated Master Plan (IMP) (if applicable), the Contract Work Breakdown Structure (CWBS), and the Statement of Work (SOW). The IMS shall be used to verify attainability of contract objectives, to evaluate progress toward meeting program objectives, and to integrate the program schedule activities with all related components. This DID is applicable to development, major modification, and low rate initial production efforts; it is not typically applied to full rate production efforts.

a. This Data Item Description (DID) contains the format and content preparation instructions for the data product generated by the specific and discrete task requirement as delineated in the contract.

b. This DID shall be applied to contracts that require Earned Value Management (EVM) and other contracts based on the contract risk assessment. Refer to the Earned Value Management Implementation Guide (EVMIG) for guidance on tailoring reporting.

c. The prime contractor is required to include significant external interfaces and critical items from suppliers, teammates, or other detailed schedules that depict significant and/or critical elements and Government furnished equipment or information dependencies for the entire contractual effort in a single integrated network. The determination of significant and critical shall be agreed to by the Government and the contractor and shall be defined and documented in the Contract Data Requirements List (CDRL).

d. The IMS shall be statused according to the contractor's management control system and shall be submitted no less frequently than monthly. If a Contract Performance Report (CPR) is required, the IMS shall be statused and submitted to the procuring activity prior to or concurrently with CPR Formats 1-5 (as applicable). The IMS may reflect data either as of the end of the calendar month or as of the contractor's accounting period cutoff date, provided it is consistent and traceable to the CPR (if applicable). When subcontractor schedule data reflects a different status date than the prime contractor's schedule status date, these status dates shall be described in the analysis section of the IMS.

e. This DID shall be used in conjunction with the CWBS DID, DI-MGMT-81334A, and the CPR DID, DI-MGMT-81466. (Note: The IMS DID may be required when there is no EVM (CPR) requirement.)

REQUIREMENTS:

1. **Format.** The IMS shall be created using a network capable Commercially off the Shelf (COTS) scheduling software application. Unless otherwise provided in the CDRL, the IMS shall be delivered electronically in the native digital format (i.e., an electronic file produced by the contractor's scheduling

- **Critical Path** calculated by software
 - **Total Program Critical Path** from beginning to end
 - **Software can not be specified but must meet DI-MGMT-81650 requirements**
 - **Examples of available software tools**
 - **Open Plan Professional**
 - **Primavera**
 - **MS Project**
- **Schedule Risk Assessments** are to be submitted as specified in the CDRL and prior to the Integrated Baseline Review (IBR)
- **Float/Slack** is an asset of the program and not for the exclusive use or benefit of the government
- **Monthly analysis** is required in order to identify potential problems and an assessment of the critical path and near-critical paths



EVMS Training and References



DAU Acquisition Community Connection

Address: <https://acc.dau.mil/evm>

Google

Acquisition Community Connection
Where the DoD AT&L Workforce Meets to Share Knowledge

DAU Resources

Home | Contact Us | Privacy Policy | ACC Tutorial

Defense Acquisition University

Search

You are here: [EVM \(Earned Value Management\)](#)

Sign In

User Name:

Password:

Sign In

[Request an Account](#)
[Benefit of Membership](#)
[Forgot My Password or Login](#)

Community Explorer

- EVM (Earned Value Management)
 - DoD EVM Policy & Guidance
 - EVM Community Connection
 - EVM Contract Documents
 - EVM Research Library
 - EVM Tools
 - EVM Training Center
 - OMB Recommended References

Participate

- [Become a Member](#)
- [Search...](#)

EVM (Earned Value Management) Community

User Reviews

Main View | Discussions | What's New | Activity

2 contributions at this community | [Search Knowledge in this Community](#)

https://acc.dau.mil/evm

ACC Practice Center Version 1.6



EVMS Training—DAU Continuous Learning Modules

All	CLB	CLC	CLE	CLG	CLI	CLL	CLM	FAC	SPS	External
Prefix	Course Name									
CLB014	Acquisition Reporting Concepts and Policy Requirements for APB, DAES, and SAR									
CLB020	Baseline Maintenance									
CLB011	Budget Policy									
CLB010	Congressional Enactment									
CLB007	Cost Analysis									
CLB024	Cost Risk Analysis Introduction									
CLB012	Cost as an Independent Variable									
CLB018	Earned Value and Financial Management Reports									
CLB019	Estimate at Completion									
CLB016	Introduction to Earned Value Management									
CLB017	Performance Measurement Baseline									
CLB009	Planning, Programming, Budgeting, and Execution (PPBE) and Budget Exhibits									
CLB008	Program Execution									
CLB023	Software Cost Estimating									

<https://learn.dau.mil/html/clc/Clc1.jsp?cl=>

- DAU can provide targeted training
 - Tailored to specific organization needs
 - Part of our Consulting/Performance Support efforts
- Potential Topics
 - Integrated Baseline Review Workshop
 - Program Startup Workshop
 - EVMS Basics/Intermediate
 - Scheduling Basics/Intermediate
 - Source Selection
- For More Info, Contact: Professor Kim Meyer
 - 937-781-1040, kimberly.meyer@dau.mil

- BACKUPS

**CONTRACT PERFORMANCE REPORT
FORMAT 1 - WORK BREAKDOWN STRUCTURE**

DOLLARS IN Thousands

Form Approved
OMB No. 0704-0188

The public reporting burden for this collection of information is estimated to be 3.1 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense Washington Headquarters Services Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

PLEASE DO NOT RETURN YOUR FORM TO THIS ADDRESS. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.

1. CONTRACTOR		2. CONTRACT		3. PROGRAM		4. REPORT PERIOD	
a. NAME CyboRaptor		a. NAME FIREBIRD II		a. NAME FIREBIRD II		a. FROM (YYYYMMDD) YYYY0601	
b. LOCATION (Address and ZIP Code) 1100 Carey Ave Waynesville VA 21345		b. NUMBER FDS601-20006C-DO23		b. PHASE RDT&E		b. TO (YYYYMMDD) YYYY0630	
		c. TYPE CPIF		d. SHARE RATIO 70/30		c. EVMS ACCEPTANCE N / A	

5. CONTRACT DATA

a. QUANTITY N / A	b. NEGOTIATED COST \$23,000.00	c. ESTIMATED COST OF AUTHORIZED UNPRICED WORK 0.00	d. TARGET PROFIT/ \$2,757 / 11.9%	e. TARGET PRICE \$25,737.20	f. ESTIMATED PRICE \$25,167.20	h. ESTIMATED CONTRACT CEILING \$28,310.70	i. DATE OF OTB/OTS (YYYYMMDD)
-----------------------------	--	--	---	---------------------------------------	--	---	--------------------------------------

6. ESTIMATED COST AT COMPLETION

MANAGEMENT ESTIMATE AT COMPLETION (1)		CONTRACT BUDGET BASE (2)	VARIANCE (3)	7. AUTHORIZED CONTRACTOR REPRESENTATIVE	
				a. NAME (Last, First, Middle Initial)	b. TITLE
a. BEST CASE	\$21,160.00			c. SIGNATURE	
b. WORST CASE	\$23,000.00				
c. MOST LIKELY	\$22,187.10	\$23,000.00	\$474.00		
d. DATE SIGNED (YYYYMMDD)					

7. PERFORMANCE DATA

ITEM (1)	CURRENT PERIOD						CUMULATIVE TO DATE					REPROGRAMMING ADJUSTMENTS			AT COMPLETION		
	BUDGETED COST		ACTUAL COST WORK PERFORMED (4)	VARIANCE			BUDGETED COST		ACTUAL COST WORK PERFORMED (9)	VARIANCE		COST VARIANCE (12a)	SCHEDULE VARIANCE (12b)	BUDGET (13)	BUDGETED (14)	ESTIMATED (15)	VARIANCE (16)
	WORK SCHEDULED (2)	WORK PERFORMED (3)		SCHEDULE (5)	COST (6)		WORK SCHEDULED (7)	WORK PERFORMED (8)		SCHEDULE (10)	COST (11)						
1.1 Air Vehicle	2	1,423.47	1,295.97	1,455.93	13,127.50	159.97	14,270.40	13,887.90	14,367.80	382.50	479.90				11,588.10	11,246.80	341.30
1.1.1 Weapons Delivery		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				0.00	0.00	0.00
1.1.2 Airframe	3	62.00	65.00	64.33	3.00	0.67	186.00	195.00	193.00	0.00	2.00				649.70	634.00	15.70
1.1.3 Engine	3	732.83	557.67	811.10	175.17	253.43	1,298.50	1,673.00	2,318.40	525.50	645.40				5,892.00	5,729.90	162.10
1.1.4 C2 System	3	111.47	124.51	106.60	13.04	17.91	334.40	368.90	319.80	34.50	49.10				896.20	847.10	49.10
1.1.4.1 Radio	4	70.00	73.21	68.00	3.21	5.21	210.00	215.00	204.00	5.00	11.00				562.80	552.70	10.10
1.1.4.2 TV Camera	4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				0.00	0.00	0.00
1.1.4.3 Avionics	4	41.47	51.30	38.60	9.83	12.70	124.40	153.90	115.80	29.50	38.10				333.40	294.40	39.00
1.1.5 Self Defense	3	517.17	550.33	512.20	33.17	38.13	1,551.50	1,651.00	1,536.60	99.50	114.40				4,150.20	4,035.80	114.40
1.1.5.1 Flares	4	184.37	200.87	181.87	16.50	19.00	553.10	602.60	545.60	49.50	57.00				1,482.30	1,425.30	57.00
1.1.5.2 Flight Control	4	282.87	297.03	280.80	14.17	16.23	848.60	891.10	842.40	42.50	48.70				2,267.70	2,218.50	49.20
1.1.5.3 Sensor	4	49.93	52.43	49.53	2.50	2.90	149.80	157.30	148.60	7.50	8.70				400.20	392.00	8.20
1.2 Grnd Cont. Terminal	2	395.97	408.73	394.17	12.77	14.57	1,200.50	1,226.20	1,182.50	25.70	43.70				3,402.50	3,301.00	101.50
1.2.1 Radio	3	183.50	183.57	183.47	.07	0.10	550.50	550.70	550.40	0.20	0.30				1,660.50	1,561.00	99.50
1.2.2 Control Software	3	216.67	225.17	210.70	8.5	14.47	650.00	675.50	632.10	25.5	43.40				1,742.00	1,740.00	2.00
1.2.3 TV	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				0.00	0.00	20.00

0

CONTRACT PERFORMANCE REPORT

DOLLARS IN Thousands

Page 2 of 2

The public reporting burden for this collection of information is estimated to be 3.1 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense Headquarters, Services Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. **PLEASE DO NOT RETURN YOUR FORM TO THIS ADDRESS. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.**

7. PERFORMANCE DATA

ITEM (1)	CURRENT PERIOD					CUMULATIVE TO DATE					REPROGRAMMING ADJUSTMENTS			AT COMPLETION		
	BUDGETED COST		ACTUAL COST WORK PERFORMED (4)	VARIANCE		BUDGETED COST		ACTUAL COST WORK PERFORMED (9)	VARIANCE					BUDGETED (14)	ESTIMATED (15)	VARIANCE (16)
	WORK SCHEDULED (2)	WORK PERFORMED (3)		SCHEDULE (5)	COST (6)	WORK SCHEDULED (7)	WORK PERFORMED (8)		SCHEDULE (10)	COST (11)	COST VARIANCE (12a)	SCHEDULE VARIANCE (12b)	BUDGET (13)			
a. WORK BREAKDOWN STRUCTURE ELEMENT (continued)																
1.3 Launcher	2	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00				0.00	0.0	0.00
1.4 Sys Program Mgmt	2	431.47	395.23	443.43	-36.23	-67.10	1,294.40	1,185.70	1,390.30	-108.30	144.60			5,178.60	5,282.50	103.90
1.4.1 Project Mgmt	3	136.07	136.07	142.33	0.00	-6.27	408.20	408.20	427.00	0.00	-18.80			1,473.00	1,483.20	-10.20
1.4.2 Sys Engineering	3	295.40	259.17	320.00	-36.23	-60.83	886.20	777.50	903.30	-108.70	-125.80			3,705.60	3,799.30	-93.70
1.5 Sys Test & Evaluation	2	88.37	74.67	84.84	-13.70	-6.17	265.10	224.00	253.20	-41.10	-29.20			863.30	868.40	-5.10
1.5.1 Dev Test & Evaluation	3	48.03	40.73	44.30	-7.30	-3.57	144.10	122.20	132.90	-21.90	-10.70			489.70	504.90	-15.20
1.5.2 Oper T&E Support	3	18.43	17.60	18.37	-0.83	-0.77	55.30	52.80	55.10	-2.50	-2.30			144.00	141.20	2.80
1.5.3 Mock-Ups	3	21.90	21.90	21.73	0.00	0.17	65.70	49.00	65.20	-16.70	-16.20			229.60	222.30	7.30
1.6 Sys Data	2	29.40	28.03	29.27	-1.36	-1.23	88.20	84.10	87.80	-4.10	-3.70			296.70	306.20	-9.50
1.6.1 Eng Data	3	13.57	13.30	9.40	-0.27	3.90	40.70	39.90	28.20	-0.80	11.70			202.50	193.30	9.20
1.6.2 Mgmt Data	3	15.83	14.73	19.87	-1.10	-5.13	47.50	44.20	59.60	-3.30	-15.40			94.20	112.90	-18.70
1.7 Pec Support Equip	2	55.70	52.57	62.40	-3.13	-9.83	167.10	157.70	187.20	-9.40	-29.50			498.60	537.20	-38.60
1.7.1 Test & Measure	3	22.83	23.97	32.30	1.13	-8.33	68.50	71.90	96.90	3.40	-25.00			279.40	322.90	-43.50
1.7.2 Support & Handling	3	32.87	28.60	30.10	-4.27	-1.50	98.60	85.80	90.30	-12.80	-4.50			219.20	214.30	4.90
1.8 Common Supt Equip	2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
1.9 Spares & Rep	2	3.57	3.30	3.03	-0.27	0.27	10.70	9.90	9.10	-0.80	0.80			642.20	645.00	-2.80
b. COST OF MONEY		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0				0.00	0.0	0.00
c. G & A (Non- Add)		320.33	296.17	306.87	-24.17	-10.70	961.00	888.50	920.60	-72.50	-32.10			2953.90	2916.71	37.19
d. UNDISTRIBUTED BUDGET														0.0	0.0	0.00
e. SUBTOTAL (Performance)		2,427.93	2,258.50	2,469.07	-169.43	-210.57	7,296.40	6,775.50	7,417.90	-520.50	-642.40			22,470.00	22,187.10	282.90
Measurement Baseline)														530.00		
f. MANAGEMENT RESERVE																
g. TOTAL		2,427.93	2,258.50	2,469.07	-169.43	-210.57	7,296.40	6,775.50	7,417.90	-520.50	-642.40			23,000.00	22,187.10	812.90
9. RECONCILIATION TO CONTRACT BUDGET BASE																
a. VARIANCE ADJUSTMENT										0.00	0.0					0.0
b. TOTAL CONTRACT VARIANCE										-520.50	-642.40					812.90

**CONTRACT PERFORMANCE REPORT
FORMAT 2 - ORGANIZATIONAL CATEGORIES**

DOLLARS IN: Thousands

Page 1 of 1

1. CONTRACTOR		2. CONTRACT		3. PROGRAM		4. REPORT PERIOD	
a. NAME Increda, Corp		a. NAME LAR DEC 2003		a. NAME LAR Vehicle		a. FROM (CCYYMMDD) 20031129	
b. LOCATION (Address and ZIP code) 1100 W. HOLLYMOLLY ST. LOS ANGELES, CA 90293		b. NUMBER DAAH01-03-C-0076		b. PHASE (X one) <input checked="" type="checkbox"/> RDT&E <input type="checkbox"/> PRODUCTION		b. TO (CCYYMMDD) 20031231	
		c. TYPE CPIF					

5. PERFORMANCE DATA																
ITEM	CURRENT PERIOD					CUMULATIVE TO DATE					REPROGRAM ADJUSTMENTS		AT COMPLETION			
	BUDGETED COST		ACTUAL	VARIANCE		BUDGETED COST		ACTUAL	VARIANCE		COST VARIANCE	BUDGET	BUDGETED	ESTIMATED	VARIANCE	
	WORK SCHEDULED	WORK PERFORMED	COST WORK PERFORMED	SCHEDULE	COST	WORK SCHEDULED	WORK PERFORMED	COST WORK PERFORMED	SCHEDULE	COST						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
a. ORGANIZATIONAL CATEGORY																
2A - PROGRAM OFFICE	2	167.0	167.0	155.4	0.0	11.6	1,090.5	1,090.5	901.0	0.0	189.5			5,009.4	5,009.4	0.0
2B - PROGRAM CONTROL	2	109.5	109.5	72.6	0.0	36.9	645.8	645.8	483.2	0.0	162.6			2,191.6	2,191.6	0.0
2C - SUPPORT SERVICE	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			1,252.3	1,252.3	0.0
2D - MANUFACTURING	2	375.7	375.7	405.9	0.0	-30.2	1,351.3	1,351.3	1,378.6	0.0	-27.3			18,785.2	18,785.2	0.0
2E - QUAL ASSURANCE	2	37.5	37.5	45.0	0.0	-7.5	135.1	135.1	140.3	0.0	-5.2			1,878.5	1,878.5	0.0
2F - PROCUREMENT	2	392.6	392.6	382.3	0.0	10.3	1,894.7	1,894.7	1,876.7	0.0	18.0			11,897.3	11,747.5	149.8
2G - ENGINEERING	2	953.6	503.3	1,031.7	-450.3	-528.4	6,077.8	4,798.4	5,945.8	-1,279.4	-1,147.4			21,603.0	21,603.0	0.0
[OH] - OVERHEAD	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0	0.0	0.0

**CONTRACT PERFORMANCE REPORT
FORMAT 3 - BASELINE**

DOLLARS IN: Thousands

Page 1 of 1

1. CONTRACTOR		2. CONTRACT		3. PROGRAM		4. REPORT PERIOD									
a. NAME Increda, Corp		a. NAME LAR DEC 2003		a. NAME LAR Vehicle		a. FROM (CCYYMMDD) 20031129									
b. LOCATION (Address and ZIP code) 1100 W. HOLLYMOLLY ST. LOS ANGELES, CA 90293		b. NUMBER DAAH01-03-C-0076				b. TO (CCYYMMDD) 20031231									
		c. TYPE CPIF		d. SHARE RATIO 50/50 30/70		b. PHASE (X one) <input checked="" type="checkbox"/> RDT&E <input type="checkbox"/> PRODUCTION									
5. CONTRACT DATA															
a. ORIGINAL NEGOTIATED COST \$64,711.0		b. NEGOTIATED CONTRACT CHANGES \$0.0		c. CURRENT NEGOTIATED COST (a. + b.) \$64,711.5		d. ESTIMATED COST OF AUTHORIZED UNPRICED WORK \$0.0									
				e. CONTRACT BUDGET BASE (c. + d.) \$64,711.5		f. TOTAL ALLOCATED BUDGET \$64,711.5									
						g. DIFFERENCE (e. - f.) \$0.0									
h. CONTRACT START DATE (CCYYMMDD) 20030602		i. CONTRACT DEFINITIZATION DATE DATE (CCYYMMDD) 20030610		j. PLANNED COMPLETION DATE (CCYYMMDD) 20060530		k. CONTRACT COMPLETION DATE (CCYYMMDD) 20060531									
						l. ESTIMATED COMPLETION DATE (CCYYMMDD) 20060530									
6. PERFORMANCE DATA															
ITEM (1)	BCWS CUMULATIVE TO DATE (2)	BCWS FOR REPORT PERIOD (3)	BUDGETED COST FOR WORK SCHEDULED (BCWS) (Non-Cumulative)											UNDISTRIB BUDGET (15)	TOTAL BUDGET (16)
			SIX MONTH FORECAST						ENTER SPECIFIED PERIODS						
			+1 JAN (4)	+2 FEB (5)	+3 MAR (6)	+4 APR (7)	+5 MAY (8)	+6 JUN (9)	FY04 (10)	FY05 (11)	(12)	(13)	TC (14)		
a. PERFORMANCE MEASUREMENT BASELINE (Beginning of Period)	9,295.0	2,095.5	1,742.3	1,793.8	1,800.8	1,762.5	1,803.7	1,830.1	5,202.2	20,452.3	0.0	0.0	15,679.3	0.0	63,457.5
b. BASELINE CHANGES AUTHORIZED DURING REPORT PERIOD															
c. PERFORMANCE MEASUREMENT BASELINE (End of Period)	11,346.3		2,224.5	1,777.3	1,757.4	1,750.4	1,777.4	1,775.0	5,408.2	19,626.5	0.0	0.0	15,996.1	0.0	63,439.1
7. MANAGEMENT RESERVE															1,272.3
8. TOTAL															64,711.4

**CONTRACT PERFORMANCE REPORT
FORMAT 4 - STAFFING (BAC)**

1. CONTRACTOR		2. CONTRACT		3. PROGRAM		4. REPORT PERIOD	
a. NAME Increda, Corp		a. NAME LAR DEC 2003		a. NAME LAR Vehicle		a. FROM (CCYYMMDD) 20031129	
b. LOCATION (Address and ZIP code) 1100 W. HOLLYMOLLY ST. LOS ANGELES, CA 90293		b. NUMBER DAAH01-03-C-0076				b. TO (CCYYMMDD) 20031231	
		c. TYPE CPIF		d. SHARE RATIO 50/50 30/70		b. PHASE (X one) <input checked="" type="checkbox"/> RDT&E <input type="checkbox"/> PRODUCTION	

5. PERFORMANCE DATA															
ORGANIZATIONAL CATEGORY	PLANNED CURRENT PERIOD	PLANNED END OF CURRENT PERIOD (Cum)	FORECAST (Non-Cumulative)											AT COMPLETION	
			SIX MONTH FORECAST (Enter Names of Months)						ENTER SPECIFIED PERIODS						
			JAN	FEB	MAR	APR	MAY	JUN	FY04	FY06			TC		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
2A - PROGRAM OFFICE	2	12.5	81.4	12.5	12.5	12.5	12.5	12.5	28.4	113.5	0.0	0.0	75.7	374.0	
2B - PROGRAM CONTROL	2	8.2	48.2	8.2	8.2	8.2	8.2	5.5	9.4	37.4	0.0	0.0	24.9	163.6	
2C - SUPPORT SERVICE	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.5	70.0	0.0	0.0	46.7	134.2	
2D - MANUFACTURING	2	30.9	110.7	30.8	30.8	30.8	15.4	15.4	15.4	170.3	681.0	0.0	0.0	454.0	1,554.6
2E - QUAL ASSURANCE	2	4.6	16.5	4.6	4.6	4.6	2.3	2.3	2.3	25.4	101.6	0.0	0.0	67.8	232.0
2F - PROCUREMENT	2	5.4	26.2	5.4	5.4	5.4	5.4	5.4	5.4	13.8	55.1	0.0	0.0	36.7	164.2
2G - ENGINEERING	2	84.9	368.0	99.2	124.2	135.5	224.1	114.1	69.7	60.4	241.6	0.0	0.0	161.1	1,597.9

CONTRACT FUNDS STATUS REPORT (Dollars in 000)										Form Approved OMB No. 0704-0188		
<small>The public reporting burden for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed to review the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington, DC 20301-4070, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be penalized for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ADDRESS.</small>												
1. CONTRACT NUMBER		3. CONTRACT FUNDING FOR		PREVIOUS REPORT DATE		7. CONTRACTOR		9. INITIAL CONTRACT PRICE				
DAAH01-03-C-0076		INC		03-09-30		Increda Corporation 1100 W. Hollymolly St Los Angeles, CA 90293		a. TARGET \$72,412.2				
		FOR FY 03 - 06						b. CEILING \$75,475.7				
2. CONTRACT TYPE		4. APPROPRIATION		6. CURRENT REPORT DATE		8. PROGRAM		10. ADJUSTED CONTRACT PRICE				
CPIF		RDT&E		03-12-31		LAR SDD 2003		a. TARGET \$72,412.2				
								b. CEILING \$75,475.7				
11. FUNDING INFORMATION												
LINE ITEM/WBS ELEMENT a	APPRO- PRIATION IDENTI- FICATION b	FUNDING AUTHORIZED TO DATE c	ACCRUED EXPENDITURES OPEN COMMITMENTS TOTAL d	CONTRACT WORK AUTHORIZED			FORECAST			TOTAL REQUIRE- MENTS k	FUNDS CARRY- OVER l	NET FUNDS REQUIRED m
				DEFINITIZED e	NOT DEFINITIZED f	SUBTOTAL g	NOT YET AUTHORIZED h	ALL OTHER WORK i	SUBTOTAL j			
LAR SDD	2040	20473	13548	72412	0	72412	0	0	0	72412	0	72412
12. CONTRACT WORK AUTHORIZED (With Fee/Profit) - ACTUAL OR PROJECTED												
	ACTUAL TO DATE	04-01-30	04-02-27	04-03-26	04-07-02	04-09-30	05-09-30					AT COMPLETION
a. OPEN COMMITMENTS	1365	1320	1295	1223	2825	1263	0					0
b. ACCRUED EXPENDITURES	12183	15422	17668	19141	27519	34738	60942					72413
c. TOTAL (12a + 12b)	13548	16742	18963	20364	30344	36001	60942					72413
13. FORECAST OF BILLINGS TO THE GOVERNMENT	8756	2384	3240	2513	7870	6820	18237					72413
14. ESTIMATED TERMINATION COSTS	10942	13211	11846	11367	13961	12196	9906					0
15. REMARKS												

- **CPRs must be tailored to meet the needs of each individual contract**
- **Tailoring usually involves the following**
 - **Reporting levels, Defining future periods, Specific items of interest, Variance reporting thresholds**
- **Reporting Levels**
 - **WBS/OBS reporting levels on Formats 1 & 2 should be defined**
 - **Typically to level 3 of the CWBS**
 - **High risk elements should be identified for reporting (below level 3)**
 - **CCDR and CPR should use a common WBS. CPR allows for tailoring below the CCDR reporting level**
- **Future periods**
 - **Formats 3 & 4 show the PMB and staffing forecast respectively**
 - **Periods need to be defined in CDRL, identifying months, quarters, years, or combination**
 - **Typically the first 6 columns identify the upcoming 6 months**

- **Format 5 Narrative Analysis Reporting Thresholds**
 - **Format 1/2 CV, SV, VAC- e.g. top 5 variances that exceed a dollar threshold/percentage threshold. (i.e. \$1M or 5%)**
 - **Format 3/4 changes from the previous period that exceed specified percentage**
 - **Using condition statements such as “and” or “or” will affect the number of variances reported to the customer (e.g. \$1M and 5% vs \$1M or 5%)**
 - **May identify a fixed number of variances (i.e. top 5 variances by WBS Level 2 item)**
 - **Reporting thresholds can vary greatly depending on the size, complexity, and risk of the program**

Integrated Master Plan and Integrated Master Schedule Preparation and Use Guide

Activity #	Event	VRG REF
	Accomplishment	
	Criteria	
A	Event A - Post-Award Conference/Baseline Design Review (PACDR) Conducted	-
AE1	Management Planning Reviewed	-
AE1A	Program Organization Established	1.2.1
AE1B	Initial Configuration Management Planning Complete	1.2.2, 1.2.3
AE1C	Program Schedule Reviewed	1.2.1
AE1D	Risk Management Design Review	1.2.1
AE2	Baseline Design Reviewed	-
AE2A	Requirements Baseline Complete	1.2.1
AE2B	Review Of Existing Baseline Engineering/Drawings Complete	1.2.1
AE3	Post-Award Conference/Baseline Design Review Conducted	-
AE3A	PACDR Meeting Conducted	1.2.1
AE3B	PACDR Minutes And AIGM Data Drawings	1.2.1

Integrated Master Plan (IMP)	Integrated Master Schedule (IMS)
<ul style="list-style-type: none"> Event-based plan Contractual document Relatively top level 	<ul style="list-style-type: none"> Task and calendar-based schedule Not contractually binding Level of detail necessary for day-to-day execution

Traceability

- Specification for an IMP should be called out in the contract Statement of Work (SOW)
- IMP is a **top down, event-driven plan** that documents the key events, accomplishments and criteria in the development, production, or modification of a system
- **IMP is expanded in the IMS** to incorporate all detailed tasks/activities required to accomplish individual IMP criteria

- Factors to consider when tailoring requirements:
 - Program risk should be prime consideration
 - Contract type, Size of contract, Technology maturity
 - Complexity of integration, e.g. multiple subcontractors, GFE/GFP
- Reporting Frequency
 - Status as of end of calendar/accounting month; be consistent with CPR
 - Cost/Incentive efforts typically reported monthly and must be consistent with CPR
 - FFP efforts may have less frequent reporting than cost/incentive contracts
- Variance Analysis Reporting
 - Schedule variance thresholds for task on the critical path and near critical paths usually expressed in calendar/work days
 - Projected Start / Finish variances for major milestones
 - Narratives discussing next contractual milestone

Section J - IMS Tailoring (cont'd)

- Level of detail of schedule can be tailored based on program risk
- Subcontractor IMS deliverable
- Schedule Risk Assessment
 - Quarterly, Semi-annually, selected key milestones (PDR, CDR, Flight Test)
 - LRIP may only warrant at program start
 - FFP environment; Waive requirement for SRA or less frequent than Cost/Incentive efforts
- Electronic Data Interchange
 - Delivered in native digital format Contractor's schedule tool (MS Project, Primavera, Open Plan, etc)
- Additional guidance can be found in the EVMIG